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Central Intelligence Agency

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Washington, D. C. 20505

**DIRECTORATE OF INTELLIGENCE**

3 December 1985

JAPAN: LDP Faction Meetings Yield Few Surprises [ ]

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**Summary**

Japan's major news organizations focused heavy attention on the series of meetings of Liberal Democratic Party (LDP) factions held during September and October. [ ] the sober mood at this year's round of meetings contrasted sharply with the heady atmosphere of last year, with most faction leaders absent or getting ready to turn over the leadership reins. Although discussion of the logistics of transferring power to a new generation stirred controversy in a number of the factions, many commentators concluded that so far, there were no signs that the change in leadership would produce an immediate factional realignment.

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**KOMOTO FACTION:** Before the beginning of its study session, the Japanese media questioned whether the 35-member Komoto faction could survive the bankruptcy of its leader's firm, the Sanko Steamship Company. After the meeting, reporters covering the faction agreed that Komoto's group would probably hang together. Komoto reportedly promised a \$10,000 bonus to those sticking with the faction. At the meetings,

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[redacted]

moreover, Komoto insisted a small but unified faction could effectively act as a "policy group" and play a decisive role within the LDP. [redacted]

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Although the September meeting restored faith in the faction's continued existence, reporters suggested that the Sanko bankruptcy has eliminated Komoto as a viable candidate in the fall 1986 LDP presidential election. Nonetheless, the 74-year-old chairman is not about to step aside. Komoto's probable successor, Toshiki Kaifu, has agreed to stand behind chairman Komoto for now. Although Kaifu's close ties to Finance Minister Takeshita--a fellow university alumini and a financial backer--have led some observers to speculate that Kaifu may eventually join the Tanaka faction, [redacted]

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FUKUDA FACTION: Following former Prime Minister Fukuda's speech in September to his 71-member faction, observers speculated that this would be the last time he would address the group as its leader. Fukuda used his speech to summarize his political career, leaving his followers with the impression that he will step down in favor of the acting chairman, Foreign Minister Abe. Fukuda did not indicate when he might resign, but press observers anticipate that he will do so before next June's upper house election. [redacted]

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Discussions at the meeting, according to the press, centered on how to promote Abe's chances of becoming the next LDP president and prime minister. Some faction members reportedly complained that Fukuda has not forged a unified view about whether Abe should support Prime Minister Nakasone's policies. Press reports of the discussions also blamed Fukuda for not ironing out problems within the Abe-Takeshita coalition, which reportedly aims at preventing Kiichi Miyazawa from being the next prime minister. Many faction members believe Abe's close ties with his would-be 'rival' Takeshita should be cut to protect his own interest. Others have suggested Fukuda is unwilling to lay down a concrete campaign strategy for Abe now because he believes the Foreign Minister is not yet capable of handling such power. [redacted]

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NAKASONE FACTION: Press reports on the fall meeting of Prime Minister Nakasone's rapidly growing faction--whose new members have previously been independents not associated with any faction--revealed that the group is divided over whether Nakasone should seek to change party rules to remain LDP president beyond next fall. When faction elder Sakurauchi endorsed the third-term idea, the response reportedly was mixed. Some members felt it was too early to raise the third-term issue. Others insisted Nakasone should leave the top post while he is still popular, which would enable him to rule the party as a 'kingmaker.' [redacted]

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[REDACTED]

The reporters also saw internal conflicts over who should become faction head when Nakasone decides to step down. Michio Watanabe and Takao Fujinami are regarded as the prime contenders for Nakasone's job:

- Watanabe, a power broker who is well-liked by the public, broke with Nakasone in 1982 but returned to the faction one year later in hope of being named Nakasone's successor. He occasionally criticizes Nakasone openly and has urged the Prime Minister to step down at the end of his second term. Watanabe appears ready to bolt the faction along with his eight followers and possibly 15 others, if his leadership prospects do not improve.
- Chief Cabinet Secretary Fujinami--who at 53 is 10 years younger than Watanabe--maintains a low profile that has earned him respect from party members. The Prime Minister is said to value his unselfish service. [REDACTED]

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Press observers who analyzed the meeting believe the simmering leadership issue does not jeopardize Nakasone's position, although they think it could harm future growth of the faction. To prevent such problems, Nakasone reportedly may give Watanabe a key post in a late December or January Cabinet reshuffle. Watanabe's good track record as a fundraiser, according to the media, reinforces Nakasone's desire to keep him in the faction. [REDACTED]

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SUZUKI FACTION: In October, former Prime Minister Suzuki told his faction that he would cooperate with Nakasone until after the Tokyo economic summit in May. Suzuki said he would not support him for a third term. Acting faction chairman Miyazawa reportedly was critical of Nakasone's administrative reform efforts designed to close the book on the post war period. [REDACTED]

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Observers believe Suzuki wants to break up the 'Takeshita-Abe coalition,' which reportedly shares Nakasone's interest in preventing Miyazawa from gaining the top party post. Journalists covering the faction meeting concluded that Suzuki wants to keep Nakasone from dissolving the lower house and calling elections that could strengthen his bid for a third term. [REDACTED]

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One of the study session's highlights was a speech that reportedly helped Miyazawa establish himself as a future faction leader. His comments apparently impressed the faction members but not enough to fully convert them to his camp, according to the press. One journalist compared the speech to Miyazawa's trip to the United States last summer, after which members of his delegation were quoted as saying that he might have impressed the Americans, but there was "something missing in Miyazawa..." Observers note he is respected by the intelligentsia and bureaucrats but lacks followers of unquestioned loyalty. [REDACTED]

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Various press reports quoted Suzuki as telling close associates that he intends to transfer leadership to Miyazawa by next fall. In the interim, according to the reports he will handle interfactional negotiations because Miyazawa is "...not yet ready to do so."

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Political analysts believe Suzuki is reluctant to specify a date for the transfer because some influential faction elders are still critical of Miyazawa. [REDACTED]

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TANAKA FACTION: The annual get-together of the Tanaka faction was a somber affair this year, with the faction head--former Prime Minister Tanaka--and 33 other members absent. Press commentary indicates that faction members were preoccupied with the group's unity if Tanaka does not recover his health. The rejection by Tanaka's family of a request by Nikaido--the faction's acting head--to deliver a message from the former Prime Minister to the faction heightened suspicion that Tanaka's return to the political scene is unlikely. Most observers expect the faction to stay together. Manuevering by Nikaido and Finance Minister Takeshita reportedly will cause some strains, but neither of these key leaders wants the group to split. [REDACTED]

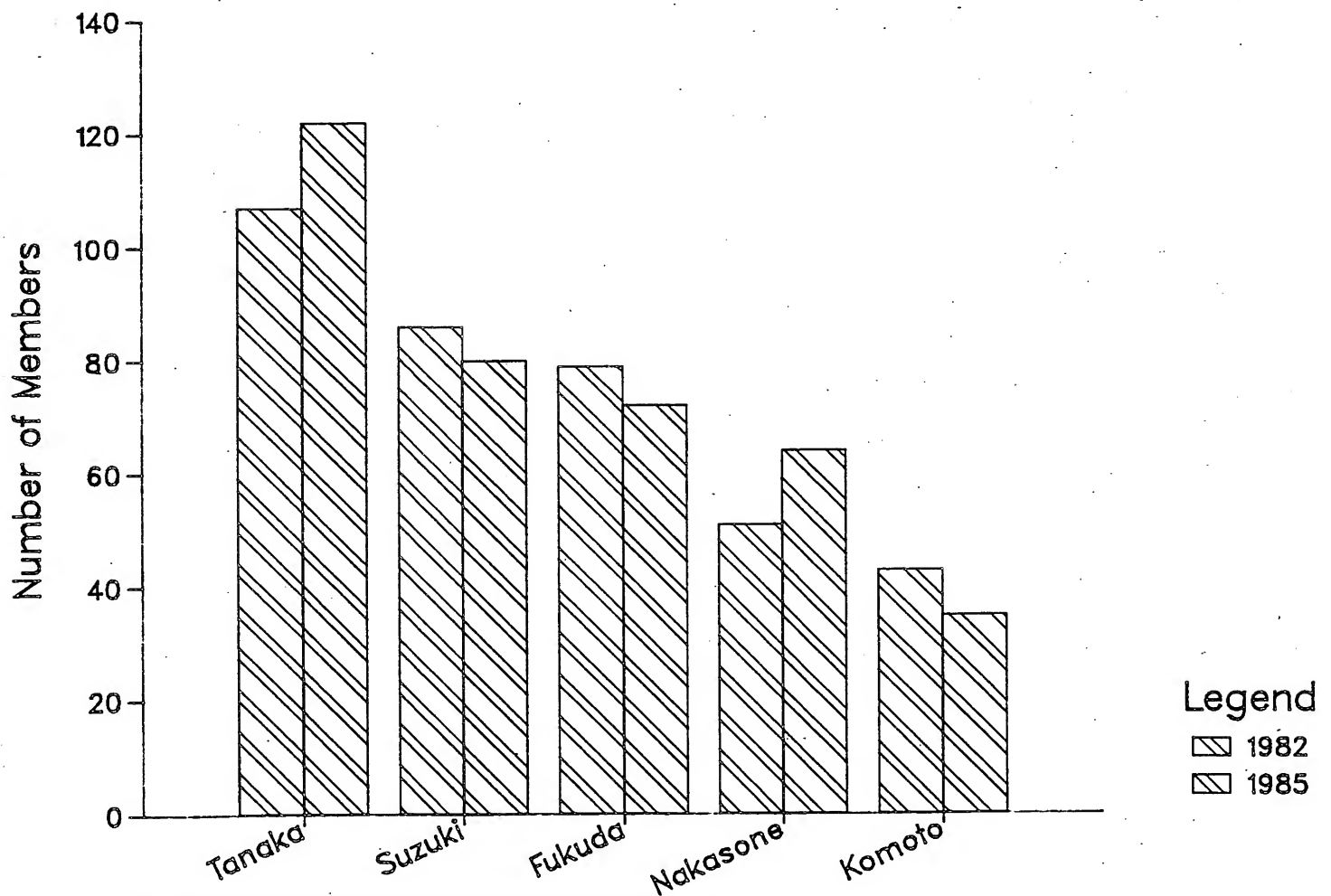
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Takeshita's 53-member Soseikai group--a study group inaugurated on 7 February 1985--has agreed to follow Nikaido for now. The media in general believe the Tanaka faction will remain under Nikaido's nominal leadership until the Tokyo summit. Reporters also suggested, however, that the expected announcements that Abe and Miyazawa will run for the LDP presidency will add to the growing pressure on Nikaido to designate Takeshita as Tanaka's heir and the faction's LDP presidential candidate. [REDACTED]

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## LDP Factions: Membership, 1982 and 1985



## Impending Leadership Change in LDP Factions

Factions	Current Chairman (Age)	Acting Chairman	Future Faction Leader	Likely Candidate In October 1986
Tanaka	Former Prime Minister Tanaka (67) ---Honorary--- Vice President Nakaido (76) ---Nominal---	Esaki (70)	Takeshita (61)	Takeshita ----- Nakaido ---Slight possibility---
Nakasone	The Prime Minister (67) ---Honorary--- Former Foreign Minister Sakurauchi (73) ---Nominal---	Uno (63) Amano (78)	Nakasone (67)	Nakasone ---possible---
Suzuki	Former Prime Minister Suzuki (74)	Miyazawa (66)	Miyazawa	Miyazawa
Fukuda	Former Prime Minister Fukuda (80)	Abe (61)	Abe	Abe
Komoto	Former Deputy Prime Minister Komoto (74)		Kalfu (54)	

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